

Testimony for the Finance, Revenue and Bonding Committee

In Support of Senate Bill No. 1132 -- AN ACT CONCERNING THE ADMISSIONS TAX

Monday, April 20, 2015 Hearing at 11:00 A.M. in Room 2E

Good morning Chairman Fonfara, Chairman Berger, and members of the Committee. My name is Louis Gingerella. I am the Director of The Driver's Club at Thompson Speedway Motorsports Park in Thompson, CT. Thompson Speedway is celebrating its 75<sup>th</sup> year of operations in 2016 and continues to be owned and operated by the Hoenig family; now in its fourth generation.

Approximately four years ago, Thompson initiated a major renovation to its motorsports facility. Over \$5.0 million has been invested into property improvements and capital equipment. The main emphasis of this work has been on the re-building of Thompson's 1.7 mile road racing course. With these improvements Thompson has enjoyed an increase in business. It has also been able to establish a successful Driver's Club, a private organization that provides members and guests the opportunity to drive on our race course and enjoy a high performance driving experience.

Now, Thompson is facing increased competition from new entrants in the motorsports business. Thompson's market is all of New England and nearby New York. This year two new facilities will be opening in Thompson's market; one in Massachusetts the other in New Hampshire. These new facilities pose a significant challenge to Thompson Speedway. Indeed, some of our customers are already set to move some or all of their business to these new facilities.

This out-of-state competition enjoys the benefit of not having to charge an Admissions Tax. Using a full membership in The Club as an example, the Massachusetts and New Hampshire tracks, by not having to charge the admissions tax, enjoy a pricing benefit depending on the membership level purchased between \$1,000 to \$2,500 for dues and initiation fees.

Thompson is prepared to compete against the new out-of-state competitors; however, an ongoing hurdle for us is the Admissions Tax. This tax gives our out-of-state competition a significant competitive advantage. With the repeal of the Admissions Tax, we will be better able to successfully compete.

We therefore, respectfully request the repeal of the Admissions Tax.